



DEPARTMENT OF THE ARMY
ST. PAUL DISTRICT, CORPS OF ENGINEERS
180 FIFTH STREET EAST, SUITE 700
ST. PAUL MINNESOTA 55101-1678

NOV 22 2013

REPLY TO
ATTENTION OF
Operations
Regulatory (MVP-2011-00832-JCB)

Mr. Tom Moe
United States Steel Corporation
Minnesota Ore Operations – Minntac
P.O. Box 417
Mountain Iron, Minnesota 55768

Dear Moe:

This letter serves as notification by the St. Paul District U.S. Army Corps of Engineers (Corps) that U.S. Steel Corporation (USS) can commence work on implementation of the “*Minntac Twin Lakes Wild Rice Restoration Opportunities Plan*” (Wild Rice Plan) for Little Sandy and Sandy Lakes (Twin Lakes) in accordance with Revision 1 of the plan. The plan was submitted to the Corps by USS in compliance with Special Condition 9 of Department of the Army permit 2011-00823-JCB for the Minntac Progression project. The Corps requests that all required permits and required property access be obtained prior to starting work.

As USS moves forward with implementation of the Wild Rice Plan we ask that you incorporate ongoing research from the Minnesota Pollution Control Agency (MnPCA) for wild rice and the Twin Lakes and compare, evaluate, build upon, and utilize the data to improve upon the USS Wild Rice Plan. As monitoring data indicates, the tailings basin at the Minntac site is having an effect on the Sandy River watershed and on-going research performed by the MnPCA seems to indicate that sulfate loading has an adverse impact on wild rice population as discussed in the MnPCA document, “*The Sulfate Standard to Protect Wild Rice Study Protocol*” (MnPCA 2011). In addition, the “*Wild Rice Standard Study*”, a research project funded by MnPCA in 2012, is expected to be available in early 2014. Both of these documents may be useful in the future as you move forward with implementation of the Wild Rice Plan.

The Wild Rice Plan provides an opportunity to evaluate and identify implementation alternatives to the reestablishment of wild rice beds within the Twin Lakes. Section 8.0 of the plan states that, “If no areas have been identified within the Twin Lakes that are potentially suitable for wild rice restoration, or if test seeding events are unsuccessful the Fourth year of the Plan, U.S. Steel may terminate the remainder of the Plan.” Based on comments we have received on the plan, we are requesting that U.S. Steel commit to implementation of the plan for a minimum of five years.

As the Wild Rice Plan is implemented, USS should provide annual monitoring and test reports to the Corps as well as the Bois Forte Band of Chippewa, Grand Portage Band of Lake Superior Chippewa, and Fond du Lac Band of Lake Superior Chippewa. The annual report shall

be provided by year end for each of the 5 years and include a summary of project activities and test results as outlined in Section 8.0 of the Wild Rice Plan.

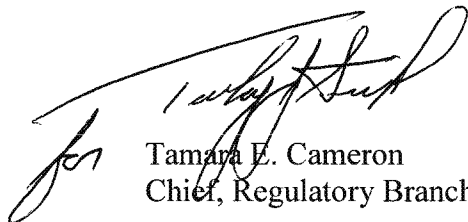
To further clarify the activities contained in the plan, we ask that USS provide an implementation schedule and additional information for the following:

- timing for removal of beavers (pending the MnDNR permit);
- timing on the adjustment of water levels to promote wild rice growth; and
- timing for seeding, and information on the source of seeds in the event that an existing wild rice seed bank is not identified.

As you are aware, we reviewed and discussed the Wild Rice Plan in consultation with the with the Bois Forte Band of Chippewa, Fond du Lac Band of Lake Superior Chippewa, and the Grand Portage Band of Chippewa. The consultation meeting with the Bands was held on September 16, 2013. A copy of our notes from that meeting is provided for your consideration. No additional action on the Wild Rice Plan beyond that requested in this letter is required in response to the comments from the Bands.

If you questions or need further clarification of the information in this letter, please contact Doug Bruner in our St. Paul District Office at (651) 290-5378.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tamara E. Cameron', is written over a horizontal line.

Tamara E. Cameron
Chief, Regulatory Branch

**Wild Rice Plan Notes
Minntac Progression - Minnesota Steel
Twin Lakes Wild Rice Restoration Opportunities Plan**

September 5, 2013

The Bands, 1854 Treaty Authority, Great Lakes Indian Fish & Wildlife Commission (GLIFWC), and the U.S. Army Corps of Engineers (Corps) reviewed the updated plan for wild rice restoration at the Twin Lakes. The review commenced on August 27 for a 10-day review and was completed on September 10, 2013. The following comments on the plan are provided. (email dated September 5, 2013)

September 16, 2013 Consultation Teleconference Notes, 1-3pm (lasted from 1:00-1:20pm)

Attendees: Rose Berens, Bill Latady, Nancy Schuldt, Esteban Chiriboga, Darren Vogt, Jill Bathke

- 1854 Treaty Authority – there is a notable lack of on-the-ground restoration work (Bill and Rose agree)
- GLIFWC – the schedule needs to be adjusted to require restoration work earlier; years 2 or 3, rather than later
- GLIFWC – the restoration plan does not address the largest stressor on the aquatic environment, the Minntac tailings basin - this is a glaring omission
- General Discussion – the Corps has not done enough to require U.S. Steel to stop polluting the Sandy River Watershed
- General Discussion – the Minntac (Progression) permit should not have been issued because there were adverse impacts to the aquatic environment
- General Discussion – U.S. Steel has already studied wild rice in these lakes. This plan just requires more study and no action. The only way to restore rice is to install a waste water treatment plant
- Corps – the Minntac permit's special condition does not require U.S. Steel to restore wild rice; only to study what could be done and attempt to restore wild rice
- Corps – the Corps recognizes that on-going research on sulfate and wild rice is being conducted and preliminary results show that sulfate loading may have an adverse effect on wild rice growth – Minntac's Environmental Assessment addressed this issue
- Corps – the Corps does not set WQ limits. The MnPCA's NPDES permit will be re-issued at some point and will address the sulfate standard for the Twin Lakes
- Corps – the Corps does not have the authority to require U.S. Steel to install a treatment plant
- Corps – the Corps determined that the increase of sulfate loading to the Twin Lakes under the Progressions was off-set from the change in the plant water (from the Mountain Iron Pit)
 - No adverse effects to the Sandy River as a result of the incremental loading that would occur as a result of the Progression
- Corps – U.S. Steel requested this special condition because the Corps shared the Bands comments and concerns on the Twin Lakes poor wild rice habitat with them. The Corps would likely not have put the special condition into the permit without U.S. Steel's request
- Corps – the Corps understands that the Bands are frustrated with the process; but the Corps cannot require water treatment

- Corps – in the response letter on this wild rice restoration plan, the Corps can generally state that the tailings basin has had an effect on the Sandy River watershed and that on-going research done by the MnPCA seems to indicate that sulfate loading has an adverse impact on wild rice population (sulfide). The Corps has already communicated the issue to U.S. Steel, and it is in the Corps decision document (cite recent MnPCA interim study data too)
- Fond du Lac and 1854 Treaty Authority - that inclusion (above comment) would be appreciated